

Executive Council approves taxi fare adjustments

The Chief Executive in Council approved today (May 14) adjustments to the urban, New Territories (NT) and Lantau taxi fares, with increases of \$2 in flagfall charge, \$0.2 in the incremental charge for the first-tier distance after flagfall, and \$0.1 in the incremental charge for the second-tier distance after flagfall. Details of the new fares are as follows:

	Flagfall charge for the first 2 kilometres or any part thereof		
	Urban taxis	NT taxis	Lantau taxis
Existing fare	\$27	\$23.5	\$22
New fare	\$29	\$25.5	\$24

	Incremental charge for each 200 metres travelled after flagfall		
	Urban taxis	NT taxis	Lantau taxis
First-tier distance	2-9km	2-8km	2-20km
Existing fare	\$1.9 per jump	\$1.7 per jump	\$1.7 per jump
New fare	\$2.1 per jump	\$1.9 per jump	\$1.9 per jump

	Second-tier distance after 9km	after 8km	after 20km
Existing fare	\$1.3 per jump	\$1.3 per jump	\$1.5 per jump
New fare	\$1.4 per jump	\$1.4 per jump	\$1.6 per jump

There will be corresponding adjustments to the charge for the waiting time as a result of the increase in incremental charges after flagfall, while the other additional charges will remain unchanged.

"Taxis provide personalised point-to-point public transport service to the general public. In recent years, there have been calls from both the community and the taxi trade for the Government to implement initiatives to enhance the quality and sustainability of taxi services. In view of the above, the Government had earlier on reviewed the overall taxi operation and management, and launched a series of measures with a view to enhancing the quality of taxi services and promoting the development of the taxi industry. Such measures include introducing a taxi fleet regime, increasing the maximum passenger seating capacity of taxis from five to six, and introducing a Taxi-Driver-Offence Points System and a two-tier penalty system for certain taxi-driver-related offences. Following the passage of the relevant legislative amendments by the Legislative Council (LegCo) in December last year, the aforementioned measures are being implemented progressively with a view to enhancing service quality and the overall image of the taxi trade. Apart from

these measures, it is also important to review the taxi fares and the financial viability of taxi operation at appropriate junctures in order to ensure the healthy development of the taxi trade in the long run and maintain a stable supply of taxi services to cater for passengers' needs," a spokesman for the Transport and Logistics Bureau said.

Among the series of measures mentioned above, the taxi fleet regime is a new regulatory regime. Under the taxi fleet regime, the Transport Department (TD) will issue Taxi Fleet Licences and regulate the operation and management of taxi fleets through licensing conditions, including the requirements in relation to fleet size, age of vehicles and services to be provided by fleet licensees, such as the provision of online booking channels (including mobile applications and websites) and e-payment means, as well as the installation of CCTV systems and technological devices to enhance driving safety inside the compartments. The TD has issued the invitation for applications for Taxi Fleet Licences on April 12 with a view to announcing the results in mid-2024. Taking into account the time needed for setting up a taxi fleet, the TD will require taxi fleet operators to commence operation in not more than 12 months after the grant of Taxi Fleet Licences (i.e. no later than mid-2025). The Government will encourage and assist the trade to form taxi fleets and commence operation as early as practicable.

Regarding taxi fare increase applications, the urban, NT and Lantau taxi trades reached a consensus on their respective fare increase applications in March 2023 for increasing the flagfall charge by \$5, \$4.5 and \$6 respectively, the incremental charges for the first-tier distance after flagfall by \$0.2, \$0.2 and \$0.1 respectively, and the incremental charges for the second-tier distance after flagfall by \$0.2. The urban taxi trade also asked for shortening the waiting time of a hired taxi not in motion from 60 seconds to 45 seconds per jump. In addition, the urban and NT taxi trades applied for an increase in additional fare of \$1 for every article of baggage carried and \$2 for every animal or bird carried. As for the Lantau taxi trade, it applied for an increase in additional fare of \$2 for every article of baggage carried, \$3 for every animal or bird carried, and \$3 for every hiring arranged through telephone booking.

"According to the operating data, while the average monthly net income of urban and NT rentee-drivers in 2023 increased slightly as compared with the 2019 level after netting off inflation, Lantau rentee-drivers experienced a drop in their average monthly net income. As for owner-drivers and rentor-owners, their average monthly net income in 2023 dropped significantly as compared with that of 2019. As shown from the operating data, the taxi trade is facing genuine difficulty in maintaining the financial viability of its operation at the current taxi fare level. The taxi trade hopes that an increase in taxi fares would raise the income of front-line drivers and attract more newcomers to join the industry, while at the same time encouraging taxi operators to improve their services and invest more in new facilities, thereby enhancing the overall taxi service quality and fostering the healthy development of the trade in the long run," the spokesman continued.

"The Government consulted the Panel on Transport of the LegCo and the Transport Advisory Committee in April 2024. A fare increase will inevitably lead to higher transportation expenses for passengers. In processing the current fare increase applications, the Government has duly considered various factors, including public acceptability, changes in taxi operating costs and income of taxi operators, as well as the fare differentials between taxis and other modes of public transport, and has struck a balance between maintaining the financial viability of taxi operation and public acceptability. Under the Government's recommendation, the average rates of fare increase are 8.86 per cent, 9.56 per cent and 10.92 per cent for urban, NT and Lantau taxis respectively, with a weighted average rate of increase of 8.98 per cent, which is lower than the rate of increase under the trade's proposal," the spokesman said.

The Government will table the Road Traffic (Public Service Vehicles) (Amendment) Regulation 2024 at the LegCo on May 22, 2024, for negative vetting in order to adjust the taxi fares. Upon completion of the procedure, the new fares are expected to take effect from July 14, 2024.